

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name Moore Twp.	County Sanilac
Fiscal Year End 3-31-06	Opinion Date 5/23/06	Date Audit Report Submitted to State 6/9/06	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

2
1
0
2

Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☐ ☒ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input type="checkbox"/>	N/A	
Other (Describe)	<input type="checkbox"/>	N/A	
Certified Public Accountant (Firm Name) ANDERSON, THOMAS, BERNHART & DORAN, P.C.		Telephone Number 989-673-3137	
Street Address 715 E. FRANK ST.		City CARO	State MI
Zip 48723			
Authorizing CPA Signature Gary R. Anderson	Printed Name GARY R. ANDERSON	License Number 1101005446	

**TOWNSHIP OF MOORE,
SANILAC COUNTY
Snover, Michigan**

**Report on Financial Statements
(with additional information)
Year Ended March 31, 2006**

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ANDERSON, TUCKEY, BERNHARDT & DORAN, P.C.

Certified Public Accountants



Gary R. Anderson, CPA
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Robert L. Tuckey, CPA
Valerie Jamieson Hartel, CPA
Jamie L. Peasley, CPA

May 23, 2006

INDEPENDENT AUDITOR'S REPORT

Township of Moore
Sanilac County
Snover, Michigan 48472

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Township of Moore as of and for the year ended March 31, 2006, which collectively comprise the Township's basic financial statements required by accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Township of Moore's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Management has not presented government-wide financial statements to display the financial position and changes in the financial position of its governmental activities. Accounting principles generally accepted in the United States of America require the presentation of government-wide financial statements. The amounts that would be reported in government-wide financial statements for the Township of Moore's governmental activities are not reasonably determinable.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township of Moore as of March 31, 2006, or changes in its financial position or cash flows where applicable, for the year then ended.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental financial information listed in the Table of Contents is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements of Moore Township. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Anderson, Tuckey, Bernhardt & Doran, P.C.

ANDERSON, TUCKEY, BERNHARDT & DORAN, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

Financial Statements

TOWNSHIP OF MOORE, SANILAC COUNTY
COMBINED BALANCE SHEET -
ALL FUND TYPES AND ACCOUNT GROUPS
March 31, 2006

	GOVERNMENTAL FUND TYPES			FIDUCIARY FUND TYPE
	GENERAL	SPECIAL REVENUE FUND	CAPITAL PROJECTS	CURRENT TAX COLLECTION FUND
<u>ASSETS</u>				
Cash	\$ 112,512	\$ 124,418	\$ 303	\$ 118
Certificate of Deposit	155,511	30,000		
Taxes Receivable				51,290
Fire run receivable	7,300			
Due from other funds	2,044	5,061		
Fixed Assets				
<u>TOTAL ASSETS</u>	<u>\$ 277,367</u>	<u>\$ 159,479</u>	<u>\$ 303</u>	<u>\$ 51,408</u>
<u>LIABILITIES AND FUND EQUITY</u>				
Liabilities:				
Accured payroll taxes	\$ -			
Accounts payable		\$ -		
Due to other funds				\$ 7,105
Due to other governmental units				44,303
<u>TOTAL LIABILITIES</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,408</u>
FUND EQUITY:				
Investment in general fixed assets				
Fund Balance - designated		159,479	\$ 303	
Fund Balance - undesignated	277,367			
<u>TOTAL FUND BALANCE</u>	<u>277,367</u>	<u>159,479</u>	<u>303</u>	<u>-</u>
<u>TOTAL LIABILITIES & FUND EQUITY</u>	<u>\$ 277,367</u>	<u>\$ 159,479</u>	<u>\$ 303</u>	<u>\$ 51,408</u>

The accompanying notes are an integral part of the financial statements.

ACCOUNT GROUPS	TOTALS (MEMORANDUM ONLY)
GENERAL FIXED ASSETS	
	\$ 237,351
	185,511
	51,290
	7,300
	7,105
\$ 849,025	849,025
\$ 849,025	\$ 1,337,582
	\$ -
	-
	7,105
	44,303
-	51,408
\$ 849,025	849,025
	303
	436,846
849,025	1,286,174
\$ 849,025	\$ 1,337,582

TOWNSHIP OF MOORE, SANILAC COUNTY
COMBINED STATEMENT OF REVENUE, EXPENDITURES
AND CHANGE IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES
YEAR ENDED MARCH 31, 2006

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUNDS</u>	<u>CAPITAL PROJECTS</u>	<u>TOTALS (MEMORANDUM ONLY)</u>
REVENUE:				
Taxes	\$ 24,294	\$ 58,500		\$ 82,794
Licenses & permits	14			14
State revenue sharing-metro	3,051			3,051
State revenue sharing	94,068			94,068
Interest and dividends	10,329			10,329
Charges for services	18,167			18,167
Other revenue	4			4
	<u>149,927</u>	<u>58,500</u>	<u>-</u>	<u>208,427</u>
TOTAL REVENUE				
EXPENDITURES:				
Legislative	12,589			12,589
Executive	4,517			4,517
Board of Review	472			472
Clerk	8,711			8,711
Treasurer	10,611			10,611
Elections	26			26
Assessor fees	8,895			8,895
Recreation	1,237			1,237
Township hall & grounds	18,616			18,616
Planning & Zoning	3,834			3,834
Public safety	15,179			15,179
Public works	117,727	26,055		143,782
Payroll taxes	3,788			3,788
Insurance and bonds	12,438	-		12,438
	<u>218,640</u>	<u>26,055</u>	<u>-</u>	<u>244,695</u>
TOTAL EXPENDITURES				
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(68,713)	32,445		(36,268)
OTHER FINANCING SOURCES (USES)				
Operating transfers in				-
Operating transfers out	-			-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)				
EXCESS OF REVENUE & OTHER SOURCES OVER (UNDER) EXPENDITURES & OTHER USES	(68,713)	32,445	-	(36,268)
FUND BALANCE - BEGINNING OF YEAR	346,080	127,034	\$ 303	473,417
FUND BALANCE - END OF YEAR	<u>\$277,367</u>	<u>\$159,479</u>	<u>\$ 303</u>	<u>\$ 437,149</u>

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF MOORE, SANILAC COUNTY
COMBINED STATEMENT OF REVENUE, EXPENDITURES
AND CHANGE IN FUND BALANCE - BUDGET (GAAP BASIS) - AND ACTUAL
GENERAL AND SPECIAL REVENUE FUND TYPES
FOR THE YEAR ENDED MARCH 31, 2006

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
REVENUE:			
Taxes	\$ 60,000	\$ 24,294	\$ (35,706)
Licenses & permits	-	14	14
State revenue sharing- metro	3,000	3,051	51
State revenue sharing	70,000	94,068	24,068
Charges for services	9,000	18,167	9,167
Interest and dividends	10,000	10,329	329
Other revenue	3,025	4	(3,021)
TOTAL REVENUE	155,025	149,927	(5,098)
EXPENDITURES:			
Legislative	20,055	12,589	7,466
Executive	5,100	4,517	583
Clerk	9,500	8,711	789
Board of Review	600	472	128
Treasurer	12,000	10,611	1,389
Election	1,550	26	1,524
Payroll taxes	7,000	3,788	3,212
Insurance and Bonds	18,000	12,438	5,562
Assessor fees	14,000	8,895	5,105
Township hall & grounds	21,800	18,616	3,184
Planning & Zoning	9,500	3,834	5,666
Public safety	23,875	15,179	8,696
Public works	145,000	117,727	27,273
Recreation	8,000	1,237	6,763
Other expenditures			-
TOTAL EXPENDITURES	295,980	218,640	
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(140,955)	(68,713)	72,242
OTHER FINANCING SOURCES (USES)			
Operating transfers in			
Operating transfers out		0	0
TOTAL OTHER FINANCING SOURCES (USES)	-	0	0
EXCESS OF REVENUE & OTHER SOURCES OVER (UNDER) EXPENDITURES & OTHER USES	(140,955)	(68,713)	72,242
FUND BALANCE - BEGINNING OF YEAR	346,080	346,080	-
FUND BALANCE - END OF YEAR	\$ 205,125	\$ 277,367	\$ 72,242

The accompanying notes are an integral part of the financial statements.

SPECIAL REVENUE FUNDS			TOTALS		
BUDGET	ACTUAL	VARIANCE - FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE - FAVORABLE (UNFAVORABLE)
\$ 30,000	\$ 58,500	\$ 28,500	\$ 90,000	\$ 82,794	\$ (7,206)
		-		14	14
		-	3,000	3,051	51
		-	70,000	94,068	24,068
		-	9,000	18,167	9,167
			10,000	10,329	329
			3,025	4	(3,021)
30,000	58,500	28,500	185,025	208,427	23,402
		-	20,055	12,589	7,466
		-	5,100	4,517	583
		-	9,500	8,711	789
		-	600	472	128
		-	12,000	10,611	1,389
		-	1,550	26	1,524
		-	7,000	3,788	3,212
		-	18,000	12,438	5,562
		-	14,000	8,895	5,105
		-	21,800	18,616	3,184
		-	9,500	3,834	5,666
		-	23,875	15,179	8,696
55,000	26,055	28,945	200,000	143,782	56,218
		-	8,000	1,237	6,763
		-	-	-	-
55,000	26,055	28,945	350,980	244,695	106,285
(25,000)	32,445	57,445	(165,955)	(36,268)	129,687
				-	
			-	-	-
-	-	-	-	-	-
(25,000)	32,445	57,445	(165,955)	(36,268)	129,687
127,034	127,034	-	473,114	473,114	-
\$ 102,034	\$ 159,479	\$ 57,445	\$ 307,159	\$ 436,846	\$ 129,687

TOWNSHIP OF MOORE, SANILAC COUNTY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

DESCRIPTION OF TOWNSHIP OPERATIONS AND FUND TYPES:

The Township of Moore covers an area of approximately 36 square miles within Sanilac County. The Township operates under an elected Board of Trustees and provides services to its more than 1,200 residents in many areas including law enforcement, administration of justice, community enrichment of development and human services.

The financial statements of the Township of Moore have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units, except for GASB 34 as explained in Note 9. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

REPORTING ENTITY:

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP, currently GASB Statement #14, the Financial Reporting Entity.

Based upon the application of these criteria, the general purpose financial statements of the Township of Moore contain all the funds and account groups controlled by the Township Board of Trustees as no other entity meets the criteria to be considered a blended component unit or a discretely presented component of the Township nor is the Township a component unit of another entity.

FUND ACCOUNTING:

The government uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital project funds), and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government.

Account groups are used to account for fixed assets and long-term liabilities that are not reported in the respective governmental funds.

BASIS OF ACCOUNTING:

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in net current assets.

TOWNSHIP OF MOORE, SANILAC COUNTY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued):

BASIS OF ACCOUNTING (Continued):

All proprietary funds and nonexpendable trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations of these funds are included on the balance sheet. Fund equity (i.e. net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increased (i.e. revenues) and decreases (i.e. expenses) in net total assets.

The modified accrual basis of accounting is used by all governmental fund types and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers property taxes as available if they are collected within 60 days after year-end. A one-year availability period is used to revenue recognition for all other governmental fund revenues susceptible to accrual. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

Those revenues susceptible to accrual are property taxes, federal and state grants, special assessments, licenses, interest revenue and charges for services. Fines, permits and sales tax and other state revenues are not susceptible to accrual because generally they are not measurable until received in cash.

BUDGETS AND BUDGETARY ACCOUNTING:

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general and special revenue funds. All annual appropriations lapse at fiscal year-end.

Encumbrances represent commitments related to unperformed contracts for goods or services. The Township does not utilize encumbrance accounting.

CASH AND INVESTMENTS:

Cash includes amounts in petty cash and demand deposits. Investments included instruments allowed by state statute subsequently described. Investments are carried at amortized cost or fair value. The Township's deposits and investments are in accordance with statutory authority.

State statutes authorize the Township to invest in bonds, securities, and other direct and certain indirect obligations of the U.S. Treasury, which include securities issued or guaranteed by the Government National Mortgage Association; certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank, savings and loan association, or credit union, which is a member of the Federal Deposit Insurance Corporation, Federal Savings and Loan Insurance Corporation, or National Credit Union Administration, respectively; and in commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase and not totaling more than 50% of any fund at any time. The Township is also authorized to invest in U.S. Government or federal agency obligation repurchase agreements, bankers' acceptances of U.S. banks, and mutual funds composed of investments as outlined above.

SHORT-TERM INTERFUND RECEIVABLES/PAYABLES:

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

TOWNSHIP OF MOORE, SANILAC COUNTY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued):

RECEIVABLES:

Receivables consist primarily of amounts for taxes and customer charges. No allowance for doubtful accounts is considered necessary and credit risk is minimal because of the large number of customers and the authority of the Township to add receivables to the tax rolls, which are secured by the underlying property.

FIXED ASSETS:

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued to cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are value at their estimated fair market value on the date received. Fixed assets purchased within the proprietary funds and the non-expendable trust fund are reported as assets within those funds and accordingly, are included on their balance sheet.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized, as these assets are immovable and of value only to the government. Primarily because of this policy, total expenditures for capital improvements in the governmental funds do not equal total additions to the general fixed asset account group.

Assets in the general fixed assets account group are not depreciated.

LONG-TERM OBLIGATIONS:

Long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group.

INTERFUND TRANSACTIONS:

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Non-reoccurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

MEMORANDUM ONLY - TOTAL COLUMNS:

The total columns on the combined statements are captioned memorandum only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data. Prior year memorandum total amounts have been updated for comparative purposes.

TOWNSHIP OF MOORE, SANILAC COUNTY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued):

ESTIMATES:

The preparation of financial statements in conformity with the U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - CHANGES IN GENERAL FIXED ASSETS:

A summary of changes in general fixed assets follows:

	<u>BALANCE</u> <u>MARCH 31,</u> <u>2005</u>	<u>ADDITIONS</u>	<u>REDUCTIONS</u>	<u>BALANCE</u> <u>MARCH 31,</u> <u>2006</u>
GENERAL GOVERNMENT	\$758,671	NONE	NONE	\$758,671
Sewer construction in progress		<u>\$90,354</u>		<u>90,354</u>
	<u>\$758,671</u>	<u>\$90,354</u>	<u>NONE</u>	<u>\$849,025</u>

NOTE 3 - CASH AND INVESTMENTS:

Cash and investments are held separately by each of the Township's funds.

DEPOSITS:

At year-end, the carrying amount of the Township's deposits was \$422,862 and the bank balance was \$392,873, \$292,713 of which was covered by federal depository insurance.

INVESTMENTS:

The Township's investments are categorized to give an indication of the level of risk assumed by the Township at year-end. Category 1 includes investments that are insured or registered, or securities held by the Township's or the Township's agent in the Township's name. Category 2 includes investments that are uninsured and unregistered, with securities held by the counter-part's trust department or its agent in the Township's name. Category 3 includes investments that are uninsured and unregistered, with the securities held by the counter-party, or by its trust department or its agent but not in the Township's name. At March 31, 2006, the Township had no Category 1, 2 or 3 investments. Additional disclosures required by GASB 40 are not included in the accompanying financial statements.

The Township's cash, cash equivalents, investments and restricted assets at March 31, 2006 are composed of the following:

	<u>CASH</u> <u>AND CASH</u> <u>EQUIVALENTS</u>	<u>INVESTMENTS</u>	<u>RESTRICTED</u> <u>ASSETS</u>
General Fund:			
Deposits	\$268,023		
Other Funds:			
Deposits	<u>154,418</u>		<u>\$421</u>
TOTAL	<u>\$422,441</u>	<u>NONE</u>	<u>\$421</u>

TOWNSHIP OF MOORE, SANILAC COUNTY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2006

NOTE 4 - LEGAL COMPLIANCE - BUDGETS:

The Township follows these procedures in establishing the budgetary data reflected in the financial statements.

1. On or prior to April 1 of each year, a proposed budget is submitted to the Board of Trustees for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to April 1, the budget is legally enacted through passage of a resolution.
4. Any revisions of the budget must be approved by the Board of Trustees.
5. Formal budgetary integration is employed as a management control device during the year for the general fund and special revenue funds.
6. Budgets for general and special revenue funds are adopted on a basis consistent with generally accepted accounting principles. Budgeted amounts are as originally adopted, or as amended by the Board of Trustees during the fiscal year. Individual amendments were not material in relation to the original appropriations which were amended.
7. The budget is prepared by fund and function and includes information on the past year, current year estimates and requested appropriations for the next fiscal year. Expenditures may not exceed budget at the function level.

NOTE 5 - DUE TO AND FROM OTHER FUNDS:

Due to and from other funds balances at March 31, 2006 are as follows:

<u>FUND</u>	<u>DUE FROM OTHER FUNDS</u>	<u>DUE TO OTHER FUNDS</u>
General Fund	\$2,043	
Special Revenue Fund	5,062	
Trust and agency:		
Current Tax Collection Fund	<u>-</u>	<u>\$7,105</u>
TOTAL	<u>\$7,105</u>	<u>\$7,105</u>

NOTE 6 - PROPERTY TAX REVENUE:

Property taxes become an enforceable lien on the property as of December 1. Taxes are levied on December 1 and are due in February of the following year. The Township bills and collects its own property taxes and also taxes for the county, intermediate school district, state education fund and school districts. All tax collections are accounted for in the tax collection fund, an agency fund. Township tax revenues are recognized in the fiscal year that includes the December 1 levy date. The Township levied .88040 mills for operations and 1.9816 mills for roads on a taxable value of \$26,972,169. The Township did not collect the SET tax during the summer of 2005. These taxes were collected by the State of Michigan.

TOWNSHIP OF MOORE, SANILAC COUNTY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2006

NOTE 7 – MICHIGAN COMMUNITY DEVELOPMENT BLOCK GRANT:

Township officials have secured funding from Michigan Community Development Block Grant (CDBG) project MSC 202052 for the construction of a municipal lagoon sewer system. The grant is for \$1,718,350 with a project completion date of June 30, 2007. The following is a summary of the revenue and expenditures in the Townships capital projects fund from the inception of the fund through the current fiscal year. The start of the project has been delayed for various reasons and as of March 2006 the project has not been started. Current year expenditures were paid out of the General Fund.

	<u>Revenue & other financing sources</u>	<u>Expenditures & other financing uses</u>
2006	\$ -	\$ 90,354
2005	129,820	95,396
2004	32,480	68,279
2003	11,990	11,990
2002	<u>-</u>	<u>3,900</u>
Total	<u>\$174,290</u>	<u>\$269,919</u>

NOTE 8 - RISK MANAGEMENT:

The Township is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The Township carries commercial insurance to cover any losses that may result from the above-described activities. The Township did not have any losses in the three prior fiscal years.

NOTE 9 – GASB 34:

The Township chose not to adopt GASB 34, which is required by Generally Accepted Accounting Principals (GAAP). This departure from GAAP is also noted in the audit report letter.

Supplemental Financial Information

TOWNSHIP OF MOORE, SANILAC COUNTY
GENERAL FUND
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED MARCH 31, 2006

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
REVENUE			
Property Taxes	<u>\$ 60,000</u>	<u>\$ 24,294</u>	<u>\$ (35,706)</u>
Licenses & permits	<u></u>	<u>14</u>	<u>14</u>
Intergovernmental			
State revenue sharing- metro	<u>3,000</u>	<u>3,051</u>	<u>51</u>
State revenue sharing	<u>70,000</u>	<u>94,068</u>	<u>24,068</u>
Interest and Dividends	<u>10,000</u>	<u>10,329</u>	<u>329</u>
Charges For Services:			
Land use Permits	1,000	1,002	2
Fire	7,000	13,500	6,500
Ditch cleanout	-	1,300	1,300
Cemetery lots	-	2,290	2,290
Misc	<u>1,000</u>	<u>75</u>	<u>(925)</u>
Total Chargers for Services	<u>9,000</u>	<u>18,167</u>	<u>9,167</u>
Other Revenue:			
Park Donations			-
Cemetery Donations			-
Other Revenues-other	3,025	4	(3,021)
Total Other Revenue	<u>3,025</u>	<u>4</u>	<u>(3,021)</u>
Sewage Disposal System	<u></u>	<u></u>	<u></u>
TOTAL REVENUE	<u>\$ 155,025</u>	<u>\$ 149,927</u>	<u>\$ (5,098)</u>

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF MOORE, SANILAC COUNTY
GENERAL FUND
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED MARCH 31, 2006

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES			
GENERAL GOVERNMENT:			
TOWNSHIP BOARD:	\$ -	\$ -	\$ -
Trustees	-	-	-
Salary	5,800	5,865	(65)
Administration			
Legal	5,000		5,000
Audit and Accounting	1,500	2,254	(754)
Dues	755	584	171
insurance			-
Printing and Publishing	2,000	530	1,470
Seminars and Meetings	1,500	1,463	37
Other	1,500		1,500
EDC	2,000	1,893	107
TOTAL TOWNSHIP BOARD	<u>20,055</u>	<u>12,589</u>	<u>7,466</u>
	-	-	-
SUPERVISOR:			
Salary	4,600	4,517	83
Supplies and travel	500		500
TOTAL SUPERVISOR	<u>5,100</u>	<u>4,517</u>	<u>583</u>
	-	-	-
ELECTIONS:			
Wages and Mileage	1,250		1,250
Supplies	300	26	274
TOTAL ELECTIONS	<u>1,550</u>	<u>26</u>	<u>1,524</u>
ASSESSOR / EQUALIZATION:			
Salary and Wages	11,000	6,000	5,000
Processing- parcels			-
Equalization services	1,000		1,000
Supplies	1,000	593	407
Other	1,000	2,302	
TOTAL ASSESSOR / EQUALIZATION	<u>14,000</u>	<u>8,895</u>	<u>6,407</u>
CLERK AND DEPUTY CLERK:			
Salary	8,800	8,634	166
Supplies	500	67	433
Other	200	10	190
TOTAL CLERK AND DEPUTY CLERK	<u>9,500</u>	<u>8,711</u>	<u>789</u>
TREASURER AND DEPUTY TREASURER:			
Salary	8,800	8,634	166
Supplies	2,200	482	1,718
Equalization services	1,000		1,000
Other	-	1,495	(1,495)
TOTAL TREASURER AND DEPUTY TREASURER	<u>12,000</u>	<u>10,611</u>	<u>1,389</u>

TOWNSHIP OF MOORE, SANILAC COUNTY
GENERAL FUND
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED MARCH 31, 2006

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
EXPENSES (continued)			
TOWNSHIP HALL & GROUNDS			
Telephone	\$ 1,000	\$ 2,402	\$ (1,402)
Electric	1,200	229	971
Lawn Mowing	9,000	7,270	1,730
Snow Removal	600	585	15
Propane	2,500	3,110	(610)
Hall Cleaning and Supplies	1,500	1,090	410
Hall Maintenance	3,000	2,579	421
Excavating	3,000	1,351	1,649
TOTAL TOWNSHIP HALL & GROUNDS	<u>21,800</u>	<u>18,616</u>	<u>3,184</u>
INSURANCE AND BONDS:			
GLC policy	14,000	10,782	3,218
Workman's Comp.	4,000	1,656	2,344
TOTAL INSURANCE AND BONDS	<u>18,000</u>	<u>12,438</u>	<u>5,562</u>
SOCIAL SECURITY/TOWNSHIP:			
Payroll Taxes	<u>7,000</u>	<u>3,788</u>	<u>3,212</u>
BOARD OF REVIEW:			
Salary and Mileage	<u>600</u>	<u>472</u>	<u>128</u>
ZONING			
Administrator Salary	3,000	2,967	33
Board Salary and Mileage	3,300	190	3,110
Supplies & expenses	3,200	677	2,523
TOTAL ZONING	<u>9,500</u>	<u>3,834</u>	<u>5,666</u>
TOTAL GENERAL GOVERNMENT	<u>119,105</u>	<u>84,497</u>	<u>34,608</u>

TOWNSHIP OF MOORE, SANILAC COUNTY
GENERAL FUND
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED MARCH 31, 2006

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
TOTAL GENERAL GOVERNMENT: (Continued)			
PUBLIC SAFETY- FIRE PROTECTION:			
Wages	\$ 9,000	\$ 8,398	\$ 602
Training	4,500	2,668	1,832
Fuel	1,500	648	852
Radio and equipment repair	500	840	(340)
SCBA equipment	6,000	1,292	4,708
Truck service and repair	1,500	565	935
Dues	375	50	325
Mileage		85	(85)
Miscellaneous	500	633	(133)
TOTAL PUBLIC SAFETY	<u>23,875</u>	<u>15,179</u>	<u>8,696</u>
PUBLIC WORKS - DRAINS:			
Drains at large	<u>10,000</u>	<u>9,455</u>	<u>545</u>
ROAD MAINTENANCE AND REPAIR:			
Road brine	24,000	15,188	8,812
Metro act expenses			
Brush spraying	1,000	1,570	(570)
Planning	10,000	1,160	8,840
TOTAL ROAD MAINTENANCE AND REPAIR	<u>35,000</u>	<u>17,918</u>	<u>17,082</u>
SEWER PROJECT	<u>100,000</u>	<u>90,354</u>	<u>9,646</u>
TOTAL PUBLIC WORKS	<u>145,000</u>	<u>117,727</u>	<u>27,273</u>
RECREATION - MEMORIAL PARK:			
Electric	300	269	31
Lawn mowing	1,800		1,800
Repairs	2,000	429	
Dumpster	400	170	230
Toilet rental	550	369	181
Misc	2,950		2,950
TOTAL RECREATION	<u>8,000</u>	<u>1,237</u>	<u>5,192</u>

TOWNSHIP OF MOORE, SANILAC COUNTY
GENERAL FUND
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED MARCH 31, 2006

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
TOTAL EXPENDITURES	<u>\$ 295,980</u>	<u>\$ 218,640</u>	<u>\$ 77,340</u>
OTHER FINANCING USES:			-
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES & OTHER FINANCING USES	<u><u>\$ 295,980</u></u>	<u><u>\$ 218,640</u></u>	<u><u>\$ 77,340</u></u>

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF MOORE, SANILAC COUNTY
COMBINED BALANCE SHEET -
SPECIAL REVENUE FUNDS
March 31, 2006

	<u>ROAD ASSESSMENT</u>	<u>STREET LIGHTS</u>	<u>ZONING</u>	<u>TOTAL</u>
<u>ASSETS</u>				
Cash and investments	\$ 121,558	\$ 1,800	\$ 1,060	\$ 124,418
Certificate of Deposit	30,000			30,000
Taxes Receivable	4,333	728		5,061
TOTAL ASSETS	<u>\$ 155,891</u>	<u>\$ 2,528</u>	<u>\$ 1,060</u>	<u>\$ 159,479</u>
<u>LIABILITIES AND FUND EQUITY</u>				
Liabilities:				
Accounts Payable	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND EQUITY:				
Fund Balance - undesignated	\$ 155,891	\$ 2,528	\$ 1,060	159,479
TOTAL FUND BALANCE	<u>155,891</u>	<u>2,528</u>	<u>1,060</u>	<u>159,479</u>
TOTAL LIABILITIES & FUND EQUITY	<u>\$ 155,891</u>	<u>\$ 2,528</u>	<u>\$ 1,060</u>	<u>\$ 159,479</u>

See the accompanying notes.

TOWNSHIP OF MOORE, SANILAC COUNTY
COMBINED STATEMENT OF REVENUE, EXPENDITURES
AND CHANGE IN FUND BALANCE - SPECIAL REVENUE FUNDS
YEAR ENDED MARCH 31, 2006

	<u>ROAD ASSESSMENT</u>	<u>STREET LIGHTS</u>	<u>ZONING</u>	<u>TOTALS (MEMORANDUM ONLY)</u>
REVENUE:				
Taxes	\$ 53,428	\$ 3,479	-	\$ 56,907
Charges for services	146			146
Interest	297			297
Assessments			\$ 1,150	1,150
TOTAL REVENUE	<u>53,871</u>	<u>3,479</u>	<u>1,150</u>	<u>58,500</u>
EXPENDITURES:				
Gravel patching	20,164			-
Road improvements	601			20,164
Road maintenace	757			601
Street lighting		3,533		757
Zoning			1,000	3,533
TOTAL EXPENDITURES	<u>21,522</u>	<u>3,533</u>	<u>1,000</u>	<u>26,055</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>32,349</u>	<u>(54)</u>	<u>150</u>	<u>32,445</u>
FUND BALANCE - BEGINNING OF YEAR	<u>123,542</u>	<u>2,582</u>	<u>910</u>	<u>127,034</u>
FUND BALANCE - END OF YEAR	<u>\$ 155,891</u>	<u>\$ 2,528</u>	<u>\$ 1,060</u>	<u>\$ 159,479</u>

See the accompanying notes.

TOWNSHIP OF MOORE, SANILAC COUNTY
ROAD ASSESSMENT
STATEMENT OF REVENUE, EXPENDITURES
AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2006

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
REVENUE:			
Taxes	\$ 30,000	\$ 53,428	\$ 23,428
Charges for services	-	146	
Interest	-	297	
TOTAL REVENUES	<u>30,000</u>	<u>53,871</u>	<u>23,428</u>
EXPENDITURES:			
Gravel patching	40,000	20,164	19,836
Ditch maintenace	-	601	(601)
Road maintenace	<u>15,000</u>	<u>757</u>	<u>14,243</u>
TOTAL EXPENDITURES	<u>55,000</u>	<u>21,522</u>	<u>33,478</u>
EXCESS OF REVUNUE OVER EXPENDITURES UNDER(EXPENDITURES)	<u>(25,000)</u>	<u>32,349</u>	<u>56,906</u>
FUND BALANCE BEGINNING OF YEAR	<u>123,542</u>	<u>123,542</u>	<u>-</u>
FUND BALANCE END OF YEAR	<u>\$ 98,542</u>	<u>\$ 155,891</u>	<u>\$ 56,906</u>

See the accompanying notes.

TOWNSHIP OF MOORE, SANILAC COUNTY
STREET LIGHTS
STATEMENT OF REVENUE, EXPENDITURES
AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2006

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
REVENUE:			
Taxes	<u>\$ 3,500</u>	<u>\$ 3,479</u>	<u>\$ (21)</u>
TOTAL REVENUES	<u>3,500</u>	<u>3,479</u>	<u>(21)</u>
EXPENDITURES:			
Street lighting	<u>3,600</u>	<u>3,533</u>	<u>(67)</u>
TOTAL EXPENDITURES	<u>3,600</u>	<u>3,533</u>	<u>(67)</u>
EXCESS OF REVUNUE OVER EXPENDITURES UNDER(EXPENDITURES)	<u>(100)</u>	<u>(54)</u>	<u>46</u>
FUND BALANCE BEGINNING OF YEAR	<u>2,582</u>	<u>2,582</u>	<u>-</u>
FUND BALANCE END OF YEAR	<u>\$ 2,482</u>	<u>\$ 2,528</u>	<u>\$ 46</u>

See the accompanying notes.

TOWNSHIP OF MOORE, SANILAC COUNTY
ZONING
STATEMENT OF REVENUE, EXPENDITURES
AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2006

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
REVENUE:			
Assessments	<u>1,000</u>	<u>1,150</u>	<u>150</u>
TOTAL REVENUES	<u>1,000</u>	<u>1,150</u>	<u>150</u>
EXPENDITURES:			
Zoning	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ -</u>
TOTAL EXPENDITURES	<u>1,000</u>	<u>1,000</u>	<u>-</u>
EXCESS OF REVUNUE OVER EXPENDITURS UNDER(EXPENDITURES)	<u>-</u>	<u>150</u>	<u>150</u>
FUND BALANCE BEGINNING OF YEAR	<u>910</u>	<u>910</u>	<u>-</u>
FUND BALANCE END OF YEAR	<u><u>\$ 910</u></u>	<u><u>\$ 1,060</u></u>	<u><u>\$ 150</u></u>

See the accompanying notes.

TOWNSHIP OF MOORE, SANILAC COUNTY
CURRENT TAX COLLECTION FUND
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED MARCH 31, 2006

	<u>BALANCE MARCH 31, 2005</u>	<u>ADDITION</u>	<u>REDUCTION</u>	<u>BALANCE MARCH 31, 2006</u>
<u>ASSETS</u>				
Cash	\$ 100	\$ 18	\$ -	\$ 118
Taxes Receivable	40,244	606,561	595,515	51,290
TOTAL ASSETS	<u>\$ 40,344</u>	<u>\$ 606,579</u>	<u>\$ 595,515</u>	<u>\$ 51,408</u>
 <u>LIABILITIES</u>				
Due to Sandusky District Library	\$ 2,080	\$ 31,718	\$ 32,262	\$ 2,624
Due to county	14,099	242,329	244,512	16,282
Due to schools	19,161	276,924	283,160	25,397
Due to other funds	5,004	44,544	46,645	7,105
TOTAL LIABILITIES	<u>\$ 40,344</u>	<u>\$ 595,515</u>	<u>\$ 606,579</u>	<u>\$ 51,408</u>

See the accompanying notes.